

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY FOR APPROVAL OF	)	CASE NO. 98-426
AN ALTERNATIVE METHOD OF REGULATION	)	
OF ITS RATES AND SERVICE	)	

TESTIMONY OF

STEPHEN R. WOOD,  
PRESIDENT OF  
LOUISVILLE GAS AND ELECTRIC COMPANY

1     **Q.   Please state your name and business address.**

2     A.   My name is Stephen R. Wood.  My business address is 220 West  
3       Main Street, Louisville, Kentucky 40202.

4     **Q.   By whom are you employed and what is your position?**

5     A.   I am President of Louisville Gas and Electric Company  
6       ("LG&E").

7     **Q.   Please describe your work experience and education.**

8     A.   Before joining LG&E Energy Corp. and LG&E in 1989, I acquired  
9       nearly thirty years of experience in various industries in the  
10      areas of human resources and customer service.  I received a  
11      Bachelor of Science degree in Industrial Economics and  
12      Management from Purdue University in 1966, and a Master of  
13      Business Administration from the University of Detroit in  
14      1974.

15      A complete statement of my work experience and education is  
16      contained in Appendix A.

17    **Q.   What is the purpose of your testimony?**

18    A.   In my testimony, I will review LG&E's high standards for  
19      safety, customer satisfaction, and system reliability, and  
20      discuss how the proposed performance-based regulation ("PBR")  
21      mechanism will continue to promote and strengthen LG&E's  
22      performance in achieving these goals.

**Safety**

**Q. Please describe LG&E's commitment to safety.**

A. LG&E is strongly committed to safety. LG&E established a "Safety Vision Team" with both union and management representatives in 1995 to conduct a comprehensive review of LG&E's health and safety program. This Safety Vision Team created LG&E's current major safety theme, "The Vision Is You." A description of this program is contained in Exhibit SRW-1. Also in 1997, LG&E established a new Safety Audit program. A description of this Safety Audit program is contained in Exhibit SRW-2. LG&E's health and safety committees located at each work site also promote employee safety and health awareness. These groups aid and advise labor and management on matters of safety and health, and perform essential monitoring, educational, investigative, and evaluative tasks. In recent years, LG&E consistently has performed better than average in the area of overall safety. A chart depicting LG&E's historic Occupational Safety and Health Administration Recordable Incidence Rate ("OSHA Recordable Incidence Rate") is attached as Exhibit SRW-3. The LG&E average OSHA Recordable Incidence Rate during the period of 1991 through 1997 was 4.2, while the National Safety Council ("NSC") rate averaged 5.7 to 5.8. The OSHA Recordable Incidence Rate represents the number of safety incidents

1 reported by the company that are defined by OSHA as  
2 recordable. LG&E continuously is searching for and exploring  
3 new ways to achieve its safety objectives.

4 **Q. How will LG&E measure its safety performance for purposes of**  
5 **the PBR proposal?**

6 **A.** LG&E will compare its current OSHA Recordable Incidence Rate  
7 to the company's average rate for the years 1991 through 1997  
8 in order to receive a reward or pay a penalty through the PBR  
9 mechanism. The testimony of Dr. Kaufmann explains this  
10 measure in more detail.

11 **Customer Satisfaction**

12 **Q. Please comment on LG&E's provision of electric service to its**  
13 **customers.**

14 **A.** In recent years, LG&E has focused its efforts on developing a  
15 variety of skills and experiences to package and deliver  
16 innovative energy services to the retail market. The  
17 cornerstone of our retail and distribution businesses  
18 continues to be the provision of low-cost energy to customers  
19 on a reliable basis. LG&E is committed to excellence in  
20 safety, customer satisfaction, and reliability in its  
21 provision of energy services.

1 Q. Do LG&E employees have a personal interest at stake to  
2 encourage customer satisfaction?

3 A. Yes. Employees and management alike have a shared commitment  
4 to our customers and the markets we serve to provide better  
5 and faster customer service. In fact, a portion of every  
6 salaried employee's incentive compensation is based upon  
7 LG&E's overall customer satisfaction performance.

8 Q. How does LG&E measure customer satisfaction?

9 A. Since July of 1990, a residential customer satisfaction survey  
10 has been administered by an independent survey research firm  
11 on behalf of LG&E. Each month, the research firm (currently  
12 International Communications Research, a subsidiary of  
13 Associated Utility Services) interviews 200 randomly-selected  
14 LG&E customers by telephone. The survey requests information  
15 from the customers relating to: 1) the quality of customer  
16 service provided by telephone, in service centers, or in  
17 person; 2) the importance of, and LG&E'S performance on, 23  
18 key attributes; 3) overall satisfaction with the company; 4)  
19 topical questions about issues of current concern to LG&E or  
20 its customers; and 5) demographic information about survey  
21 participants. Participating customers rank LG&E's performance  
22 on a ten-point scale.

23 Additionally, beginning in March of 1998, the same  
24 research firm has conducted a customer call-back survey each

1 month to measure the success of our call center based upon  
2 customers who contacted the call center during the prior  
3 month. LG&E will use this information to rate residential  
4 customer satisfaction with the handling of their telephone  
5 calls against the PBR benchmark. The testimony of Dr.  
6 Kaufmann explains the details and functions of this benchmark.

7 **Q. How has LG&E performed in the area of customer satisfaction?**

8 A. LG&E has conducted surveys since 1990. Customer satisfaction  
9 ratings consistently have shown improvements over 1990 levels.  
10 For example, in the second quarter of this year, 69.2% of our  
11 residential customers rated their overall satisfaction with  
12 LG&E as excellent, up from an average of 50.6% in 1990. To  
13 achieve this rating of excellence, 69.2% of our customers gave  
14 us either a 9 or a 10 mark on a scale of 1 through 10, making  
15 this achievement more difficult to improve and thus more  
16 significant. A graphic depiction of LG&E's historic customer  
17 satisfaction performance is attached as Exhibit SRW-4.

18 **Q. How does LG&E compare to other utilities in customer**  
19 **satisfaction?**

20 A. Through its current residential satisfaction survey, LG&E  
21 benchmarks its performance and level of customer satisfaction  
22 against those of six other utilities (CINergy, Duke Energy,  
23 Georgia Power, South Carolina Electric & Gas, Southern Indiana  
24 Gas & Electric, and Western Resources). Going forward, the

1 peer group will be expanded to include AEP. This same peer  
2 group will be used for KU's survey comparison as well. The  
3 independent survey research firm currently surveys 200  
4 customers of each of the "peer" utilities each quarter. The  
5 results of this survey demonstrate that LG&E has outscored its  
6 peer utilities by a wide margin. Graphic depictions of LG&E's  
7 performance in overall customer satisfaction for the first two  
8 quarters of 1998, as compared to the peer utilities, are  
9 attached as Exhibit SRW-5(A) and (B).

10 **Q. Please comment on LG&E's commitment to customer satisfaction.**

11 A. Since 1994, LG&E has met or exceeded its customer satisfaction  
12 goals in the areas of service delivery and electric trouble  
13 response. Exhibit SRW-6 contains a summary of LG&E's  
14 performance guidelines. LG&E continues to develop innovative  
15 ways to enhance the service it provides to customers in order  
16 to ensure that electric customers in Kentucky will continue to  
17 receive low-cost energy, high reliability, and quality  
18 service.

19 Our Next Generation Customer Care initiative is a good  
20 example of planned customer service enhancements. This long-  
21 term proactive planning project is focused on utilization of  
22 new technology and coordinated call center operations (in  
23 Louisville and Lexington) to address growing customer call  
24 volume projections, and to continue to insure customer calls

1 will be handled promptly, professionally, and efficiently well  
2 into the future.

3 The testimony of Dr. Kaufmann describes the measures of  
4 customer satisfaction in the proposed PBR plan.

5 Reliability

6 **Q. Please describe the performance measurements for reliability**  
7 **of service.**

8 **A.** LG&E utilizes the System Average Interruption Frequency Index  
9 ("SAIFI") to measure its reliability in providing electric  
10 service. LG&E also uses the System Average Interruption  
11 Duration Index ("SAIDI") to measure the average duration of an  
12 outage per customer. For the PBR mechanism, LG&E's benchmarks  
13 for reliability will be set at its SAIFI and SAIDI averages  
14 from 1991 through 1997. SAIFI and SAIDI figures for the  
15 seven-year historical period are attached as Exhibit SRW-7 and  
16 Exhibit SRW-8 respectively.

17 In addition, LG&E plans to add a new performance  
18 measurement to its PBR plan -- the Momentary Average  
19 Interruption Frequency Index ("MAIFI") -- to rate the  
20 reliability of its service to its larger industrial customers.  
21 Under the MAIFI proposal, LG&E would measure all momentary  
22 interruptions of service that last less than one minute to  
23 customers that are most economically affected by such outages  
24 -- the Company's 250 largest industrial customers.



1           In addition to the purchase and installation of  
2 sophisticated line monitoring equipment, the creation of new  
3 information and tracking systems are required to record MAIFI  
4 data. Upon approval of the PBR plan, a four-month process  
5 will begin to implement reporting. As data becomes available,  
6 it will be examined in conjunction with the Commission Staff  
7 to set appropriate benchmarks, with the initiation of  
8 penalties/rewards under this measure one year from the  
9 implementation of MAIFI reporting, or sixteen months from  
10 approval of the PBR plan.

11   **Q. Can you explain any differences between LG&E and KU that may**  
12 **affect any of the performance measures for service quality?**

13   **A.** Yes. LG&E's service territory is predominantly urban with  
14 high customer density, while KU has much lower customer  
15 density in its distribution service area, which includes a  
16 wide mix of urban, suburban, and rural areas. KU's territory  
17 extends into rural areas with long stretches of power lines  
18 between customers, while LG&E's territory is much more  
19 compressed. As a result, a line outage in LG&E's territory  
20 most likely will affect a greater number of customers than a  
21 line outage in KU's territory. This difference in customer  
22 density explains the difference in SAIFI between the two  
23 companies.

1     **Q.     Please comment on the reliability of LG&E service.**

2     **A.     Over the past several years, LG&E has set aggressive goals in**  
3           this area and has maintained a highly-rated result each year.  
4           In 1994, LG&E participated in a reliability survey prepared by  
5           Theodore Barry & Associates ("TB&A") Management Consultants.  
6           Out of the twenty-eight utility participants in the survey,  
7           LG&E performed in the upper half of the first quartile for  
8           SAIDI and in the upper part of the second quartile for SAIFI.  
9           In 1995 and 1996, LG&E participated in a benchmarking effort  
10          conducted by Utility Management Services. In both years, we  
11          performed better than the average for the twenty to twenty-two  
12          participants in the area of reliability. We continue to  
13          strive for improved performance in this area.

14    **Q.     Will LG&E continue to comply with the Commission's regulations**  
15          **governing customer service and the operation of electric**  
16          **systems under the proposed PBR plan?**

17    **A.     Yes. LG&E will continue to comply with the general rules of**  
18          the Commission in 807 KAR 5:006, including conformance with  
19          meter testing requirements, inspection of systems, and  
20          reporting requirements for accidents, property damage, loss of  
21          service, billing disputes, and service termination. LG&E also  
22          plans to meet all existing service requirements. Further, we  
23          will continue to operate in accordance with the standards of  
24          accepted good engineering practice for construction and

1 maintenance of plant and facilities as contained in the  
2 Commission's regulations in 807 KAR 5:041, including the  
3 safety regulations and line extension requirements.

4 The Commission also will continue oversight of our  
5 services, performance, and facilities, and will have the  
6 authority to take appropriate steps for enforcement under the  
7 alternative method of regulation.

8 **Q. What is your recommendation?**

9 A. The proposed PBR plan not only will ensure that the quality of  
10 LG&E's customer service performance will be maintained, but  
11 that adequate incentives are provided to encourage continued  
12 improvement. The proposed quality of service component in the  
13 PBR plan, as described more fully in the testimony of Dr.  
14 Kaufmann, provides uniform measures and standard reporting  
15 requirements for the various components that are readily  
16 discernible. The Commission should approve it.

17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.

VERIFICATION

STATE OF KENTUCKY           )  
                                  )  
COUNTY OF JEFFERSON       )     SS.

STEPHEN R. WOOD, being first duly sworn, deposes and states:

That he has read the foregoing testimony and knows the matters contained therein; that said matters are true and correct to the best of his knowledge and belief, except as to those matters stated on information and belief, and as to those matters, he believes them to be true.

  
STEPHEN R. WOOD

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of October, 1998.

  
Notary Public

(SEAL)

My Commission Expires:

11/17/2000

## **APPENDIX A**

### **STEPHEN R. WOOD**

President - Louisville Gas and Electric Company  
President - Distribution Services Division - LG&E Energy Corp.  
220 West Main Street  
Louisville, Kentucky 40202

#### **Business Affiliations**

Fifth Third Bank of Kentucky, Inc. - Board of Directors -- 1997 - present  
Martin Engineering (IL) - Board of Directors -- 1996 - present  
National Association of Manufacturers - Board of Directors -- 1997 - present  
Anthem Blue Cross and Blue Shield - Kentucky Advisory Council -- 1997 - present  
Acordia of Louisville, Inc. - Chairman of the Board -- 1994 - 1997  
The Conference Board (NY) - Chief Administrative Officers Council -- 1993 - 1997

#### **Civic Activities**

Chamber of Commerce, African American Affairs Committee -- 1997 - present  
Downtown Development Corporation - Board of Directors -- 1997 - present  
Fund For The Arts - Board of Directors -- 1997 - present  
Black Achievers Program - Corporate Campaign Chairman -- 1994 and 1995  
Louisville Orchestra - Board of Directors -- 1990 - 1996  
Louisville Urban League - Chairman of the Board -- 1990 - 1996  
WKPC-TV, Channel 15, Louisville - Chairman of the Board -- 1990 - 1997

#### **Education**

Columbia University - Executive Education -- 1988  
University of Detroit, M.B.A. -- 1974  
Purdue University, B.S. in Industrial Economics and Management -- 1966

#### **Previous Positions**

LG&E Energy Corp. and Louisville Gas and Electric Company, Louisville, Kentucky  
1993 - 1997 -- Executive Vice President and Chief Administrative Officer  
1990 - 1993 -- Senior Vice President and Chief Administrative Officer  
1989 - 1990 -- Senior Vice President, Human Resources and Administration

Memorex Telex Corporation, Tulsa, Oklahoma  
1988 - 1989 -- Vice President of Customer Engineering  
1985 - 1988 -- Vice President of Human Resources

**Hilti Western Hemisphere, Tulsa, Oklahoma**

**1980 - 1985 -- Vice President of Human Resources**

**Gulf Oil Corporation, Pittsburgh, Pennsylvania and Houston, Texas**

**1975 - 1980 -- Various senior management positions in human resources**

**Ford Motor Company, Dearborn, Michigan**

**1965 - 1975 -- Various positions in customer service and human resources**

**U.S. Marine Corps, South Vietnam**

**1966 - 1969 -- Captain**

## **LOUISVILLE GAS & ELECTRIC COMPANY HEALTH AND SAFETY PROGRAM OVERVIEW**

The LG&E Health and Safety Program is administrated comprehensively across all lines of business including Wholesale Electric, Retail Electric, Gas, Operating Services and Customer Service. The corporate office of Occupational Health & Safety Services has the responsibility of promoting and ensuring regulatory compliance with health and safety regulations and best management practices. This is accomplished through a proactive approach of working closely with regulatory agencies and maintaining a leadership role for the development of strategies which ensure regulatory compliance.

### **A. STRUCTURE**

Corporate Health and Safety Services serves as the primary reference source to all lines of business regarding occupational health and safety issues. It also coordinates and consults with the individual Health and Safety Specialists who report to each line of business. This promotes greater consistency and open communication regarding health and safety matters.

Our vision is to provide quality health and safety services in an environment of employee ownership and participation. This vision is achieved through the active involvement of thirty three (33) site safety committees. These committees are charged with promoting health and safety commitment, involvement, communication and ownership.

This effort provides input and feedback to the Joint Health, Safety and Wellness Advisory Committee which includes representatives from labor, management, and health and safety professionals. This committee meets monthly to review, discuss, and resolve important health and safety issues and concerns. It provides recommendations and valuable input to the Executive Health, Safety and Wellness Committee which has final authority over solving issues. The executive committee is comprised of the LG&E President, Vice Presidents, Union President, Union Safety Director and the corporate Health and Safety Manager.

### **B. CREATING A SAFETY VISION**

In 1995, LG&E assembled a "Safety Vision Team" with both union and management representatives to conduct a comprehensive review of LG&E's health and safety program and to identify appropriate improvements. The review team identified the need to create a "safety vision" or corporate culture in which all employees accept personal responsibility

**LOUISVILLE GAS & ELECTRIC COMPANY  
HEALTH AND SAFETY PROGRAM OVERVIEW**

for ensuring that they perform their jobs in a safe manner. As a result of the review team's recommendations, LG&E implemented a number of significant changes in the safety program. The Vision Team created LG&E's major safety theme, "The Vision Is You". Each employee shares the responsibility for their health and safety as well as that of their coworkers. Health & safety is everyone's responsibility. This theme is reinforced

through company-wide health and safety network meetings, safety committee meetings, video productions, supervisor tailgate meetings and training presentations. The Vision Team produced two safety videos which addresses this theme. In coordination with the safety vision focus, Roger Hale, LG&E's Chairman of the Board & CEO, issued a letter to all employees reemphasizing his commitment to health and safety. He stated, in the letter, that employees have the authority to stop any work practices that they considered to be unsafe.

**C. PROGRAM ELEMENTS**

A Near-Miss Policy was developed and implemented in early 1997. The purpose is to encourage employees to report any unsafe incident which has/had the potential of causing an injury to an employee or a member of the general public. Near-miss incidents are to be reported to the Site Safety Committees for investigation and follow-up action. Follow-up action may include, but is not limited to, tailgates and changes in work procedures or equipment maintenance, but will not include disciplinary action.

A Safety Reinforcement Policy was also implemented in early 1997 to encourage positive discipline for employees committing unsafe acts. Positive discipline includes such examples as counseling, participation in tailgate training and being required to participate in health and safety activities.

A comprehensive health and safety training program ensures that proper training is provided to specific employees within the appropriate time frame. We have designated trainers by individual lines of business that deliver both health and safety training, as well as, technical training to enable employees to perform their jobs in a safer and more skilled manner. In addition to our formal training, supervisors conduct weekly tailgate sessions and daily pre-job briefings to communicate health and safety information.

We continue to update our written health and safety programs to ensure that they are consistent with current regulatory requirements, as well as, current operating practices. These programs are continuously communicated to employees through our various training delivery systems.



**LOUISVILLE GAS & ELECTRIC COMPANY  
HEALTH AND SAFETY PROGRAM OVERVIEW**

Annual industrial hygiene air and noise monitoring strategic plans are developed and implemented for the purpose of maintaining our industrial hygiene baselines and increasing our hazard analysis data. The results of our monitoring activities are routinely communicated to the affected employees.

We maintain a prompt, thorough and systematic approach to incident reporting and accident investigation. The major goal of our accident investigation analysis is to prevent accidents by uncovering facts about each incident and determining how to prevent a recurrence. Information is generated from the investigation to enable management to take

effective corrective action. Emphasis is placed on fact-finding, not fault finding. The accident investigation process is accomplished through the involvement of the injured employee, supervisor and health and safety specialist.

A great deal of emphasis is placed on our recordkeeping efforts as they pertain to injuries, illnesses, lost workdays and lost workday cases. We recognize that complete and accurate recordkeeping can enable LG&E to more effectively measure health and safety performance.

LG&E recognizes that positive attitudes, behavior and motivation are essential to the success of our health and safety program. We know the human factor is the most critical factor for success, or failure, of a health and safety program. Behavior-based health and safety training has been provided to our employees and re-training has been followed-up on over the past few years. A positive reinforcement program has been established and implemented. Various employee incentive programs have been established and implemented throughout each line of business.

One of the major objectives of our company-wide health and safety network is to continuously motivate and influence positive attitudes and behavior among our employees. We are continuously searching for and exploring new ways to achieve this objective.

LG&E is presently in the process of initiating a formal Health and Safety Assessment Program. The objective of this program is to: (1) identify hazards, (2) environment conditions and (3) work practices that could contribute to accidents, injuries and job related illnesses. This process will create a higher level of safety awareness and reinforce management's commitment to the health and safety of our employees.

Our worker's compensation lost-time and non-lost-time cases have consistently decreased over the past few years. Additionally, our overall workers' compensation costs have decreased. Our OSHA injury and illness recordables (refer to attached graph) have also been on the decline with a

**LOUISVILLE GAS & ELECTRIC COMPANY  
HEALTH AND SAFETY PROGRAM OVERVIEW**

slight increase in 1996. Proactive efforts are on-going to continually improve our workers' compensation injury and illness statistics.

The first value listed in LG&E's five (5) year strategic plan is safety excellence. Safety excellence is our first priority. Our efforts and energies are directed toward creating a healthier work environment and safer workplace.

## Louisville Gas & Electric Company Health and Safety Audit Program

The LG&E health and safety audit process is but one of the many tools used to develop and maintain an effective health and safety management program. This auditing process can serve as a quality assurance mechanism to improve the safety performance of LG&E by assessing whether necessary control systems and practices are in place, functioning and adequate.

Health and Safety Audits evaluate, but do not substitute for, direct health and safety compliance activities such as proactively preventing accidents, monitoring personnel exposure, wearing personal protective equipment, instituting engineering controls, inspecting equipment and keeping records, etc. The audit process is a systematic, documented, and objective review of LG&E administrative and operational procedures to evaluate and improve health and safety compliance, as well as emphasize safe systems of work, instruction, training and supervision. Specifically, these audits are conducted to determine whether:

1. adequate safety programs and procedures have been developed.
2. safety programs and procedures, as implemented, ensure compliance with applicable OSHA standards.
3. existing processes and procedures, as implemented, ensure compliance with applicable OSHA standards and industry Best Practices.
4. injury and illness trends demonstrate the effectiveness of existing programs and procedures.
5. health and safety compliance training is being provided and documented.

The scope of the health and audit process includes generating facilities, gas compressor stations, gas maintenance operations, service centers and other LG&E facilities as required. Each individual audit is tailored to the specific operations, processes, practices and history. The typical audit for a facility or operation consists of four phases:

Phase I	Pre-Audit Activities and Conference
Phase II	Audit
Phase III	Post-Audit Conference and Review
Phase IV	Audit Follow-up

The audit documents those items or practices determined to be non-compliant and ranks them as low, medium or high priority. The purpose of priority designation is to facilitate time correction. These may range from simple administrative suggestions to recommendations for capital improvement projects. The recommendations may also focus on the need for additional investigation or further analysis to determine the compliance status of the condition observed or to determine a final solution to correct a non-compliance concern.

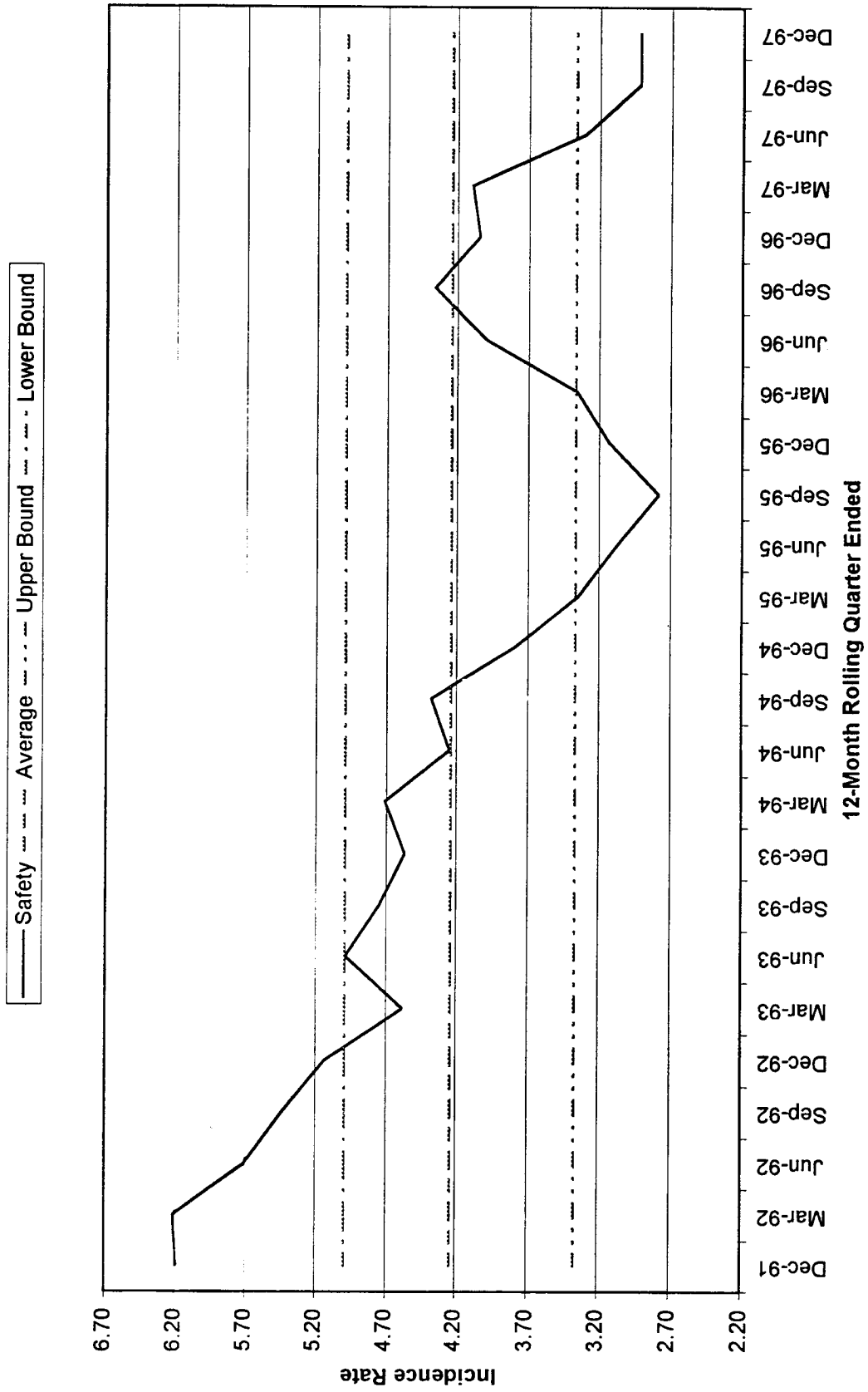
The health and safety audit process is based on a review of information using generally accepted health and safety program key elements as the auditing criteria. Those elements include formal

written health and safety program, training, self-inspections, first aid/emergency medical treatment accident investigation, employee incentives, life safety code, drug and alcohol testing, hearing conservation, respiratory protection, hazard communication medical surveillance, written compliance programs, industrial hygiene monitoring and personal protective equipment. This audit process includes health and safety information obtained through meetings, documentation review, facility walk-arounds and employee interviews.

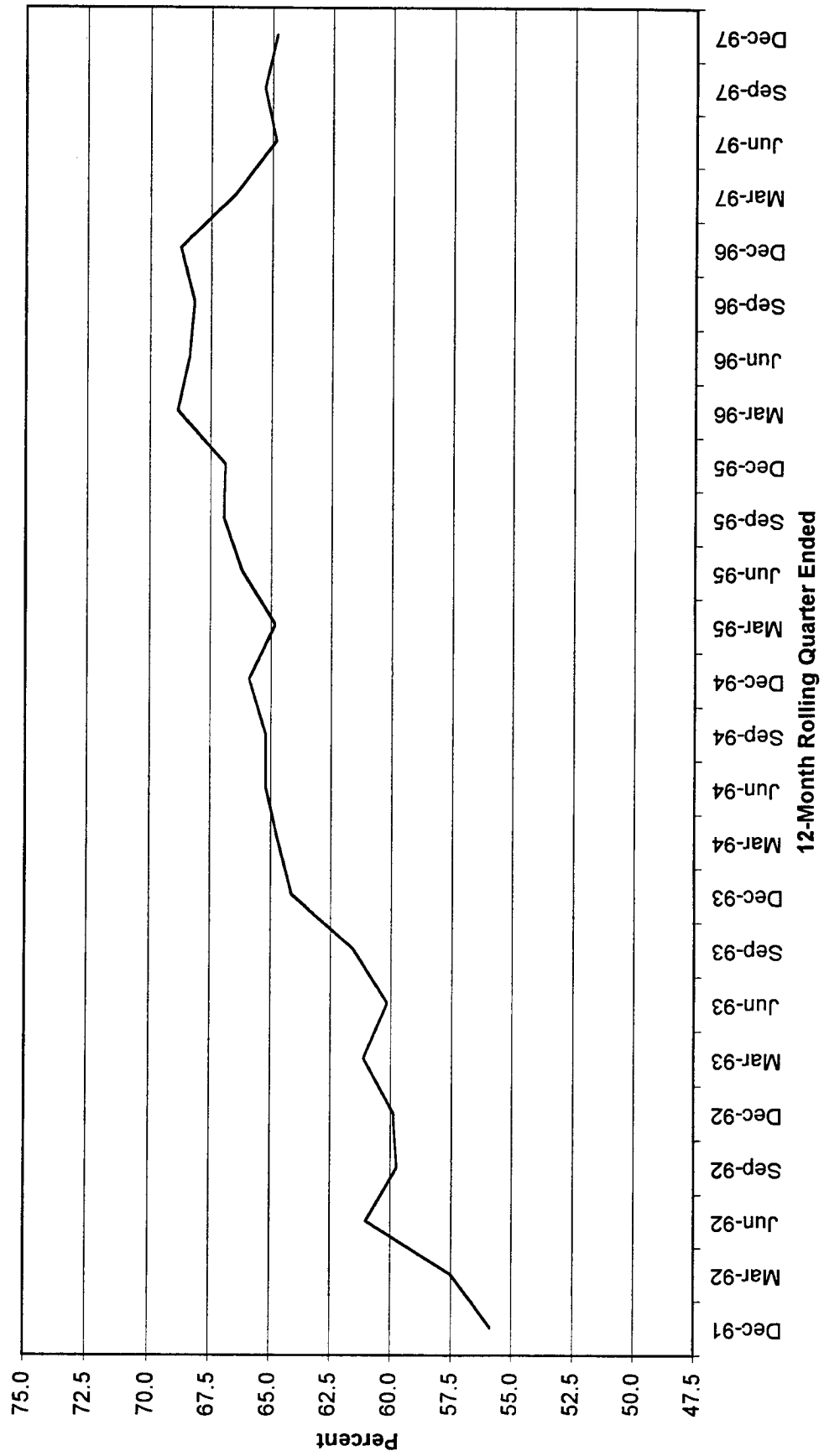
An effective health and safety audit program requires the participation and cooperation of all LG&E personnel. The purpose of the audit is to identify health and safety compliance issues, not to find fault or blame for them.

LG&E's health and safety audit process is a team approach to objectively evaluate the health and safety compliance status of LG&E operations and to demonstrate our commitment to comply with health and safety regulations, prevent injury and protect our employees.

# Historic LG&E OSHA Recordable Incidence Rate



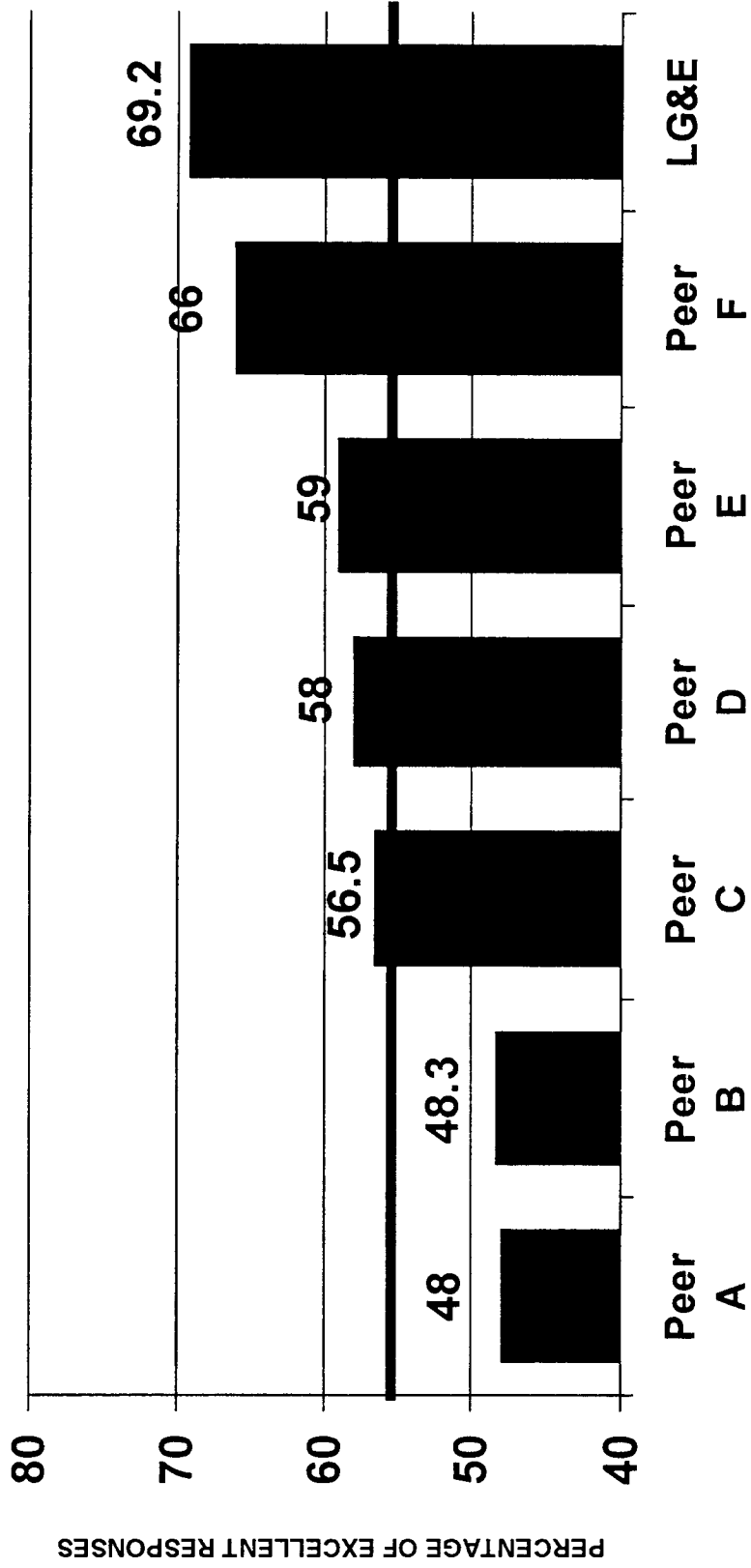
# Historic LG&E Customer Satisfaction Performance



# Overall Customer Satisfaction

## Quarterly Peer Group

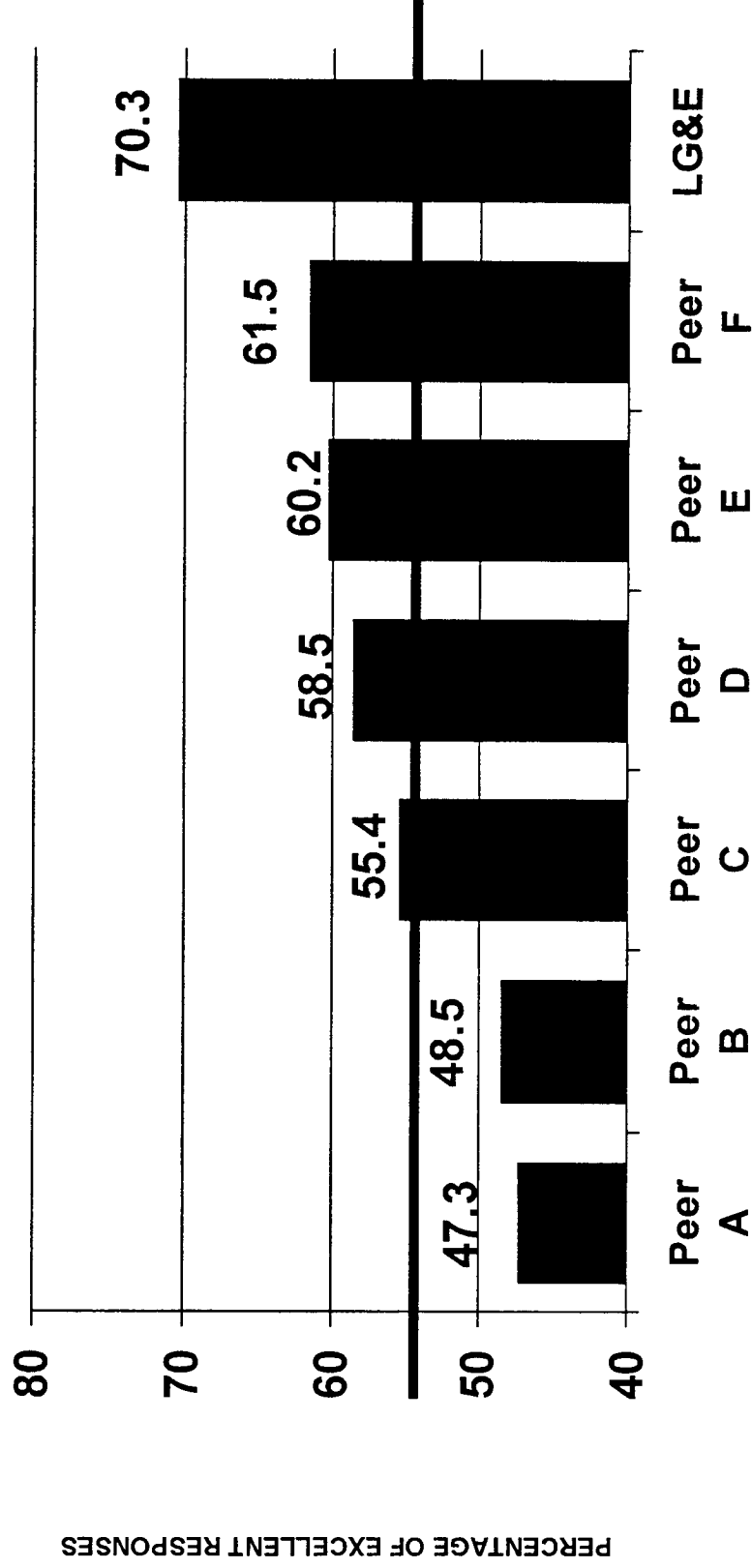
Second Quarter = 56% Peer Average



# Overall Customer Satisfaction

## Quarterly Peer Group

First Quarter = 55.2% Peer Average





On-Time Performance for Delivery of Services

On-Time Performance for Service is a measure of the percentage of time our construction department completes delivery of electric service installation, overhead street light installation, and underground street light installation. Service installation time is measured from when the customer's premise has passed governmental inspection until LG&E has installed service. The target is to have installation done within one day after we have been notified of the inspection. This measure has an 80% weighting on the On-Time measure. Overhead and underground street light installation time is measured from when the construction department receives the job order until installation is complete. For the construction department to receive the job order, the customer must have approved design and signed a leased lighting agreement. The target for overhead lighting installation is within five days and underground lighting installation is within twenty days. These two measures are treated individually and carry a weighting of 10% each. For the past five years LG&E has hit this target at 97% or above. Our results are as follows:

## Percentage On-Time for Delivery of Service

	1994	1995	1996	1997	Year End
Commitment	95%	98%	98%	98%	
Actuals	98%	98%	98%	97%	

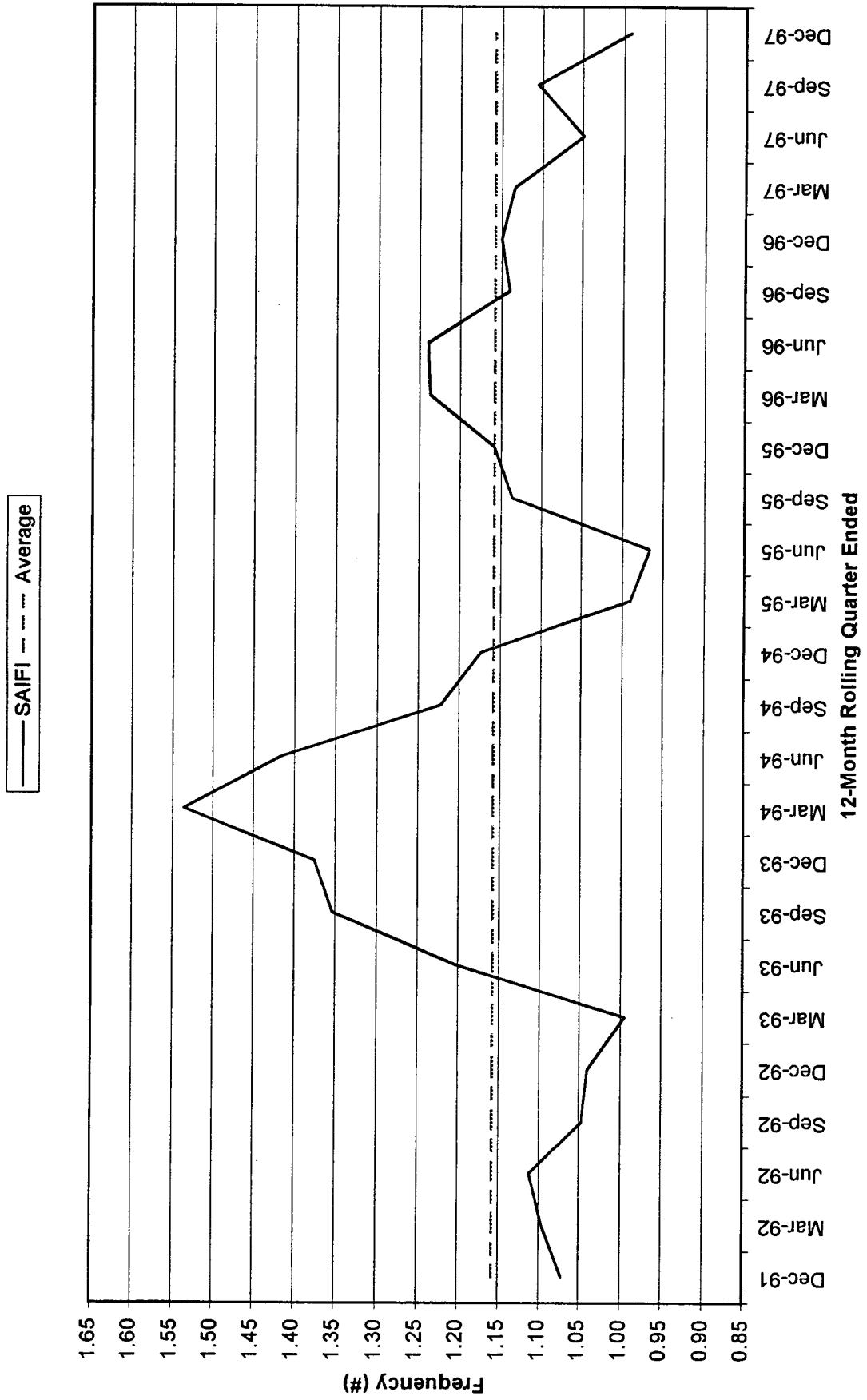
On-Time Performance for Electric Trouble Response

The On-Time Performance for Trouble Response is a measure of how quickly we radio dispatch a repairman to a customer's address for a non-storm related electric trouble call (i.e. lights out, partial lights). Time for this measure begins the moment the customer calls and ends once the correction order is radio dispatched to a repairman. No repairman is given a new correction order unless he is clear of working on any other correction order. The target at this time is to have a call dispatched within 40 minutes after a customer call is received 97% of the time. LG&E's results over the past several years are as follows:

## Percentage On-Time for Electric Trouble Response

	1994	1995	1996	1997	Year End
Commitment	95%	96%	97%	97%	
Actuals	96%	97%	97%	96%	

# Historic LG&E SAIFI Performance



# Historic LG&E SAIDI Performance

